

FINC 421 Alternative Investments

This course covers both theoretical and practical sides of managing alternative investments. The course provides a detailed analysis of various classes of alternative investments in the financial markets, in particular, real estate, hedge funds, commodities, and private capital. The purpose of the course is to give students a good understanding of the operation of these investments; the benefits and pitfalls associated with them; and strategies to integrate them into the context of portfolio management. *(Prerequisite: FINC 411)* (3 credits)

Course Learning Outcomes:

By the end of the course, students will be able to:

1. Demonstrate critical knowledge and understanding of the core theories and practices of alternative investments and the structure of their markets.
2. Apply investment strategies and techniques of hedge funds, buyouts, venture capital and commodities.
3. Undertake advanced skills and techniques to resolve problems related to asset valuation and risk management.
4. Assess the performance of alternative assets and identify the benefits of adding them in a portfolio such as return enhancement and risk diversification.
5. Use a wide range of skills to communicate investment decisions with multi-disciplinary people including peers and senior colleagues.
6. Use a range of software (Excel and Refinitiv) to solve quantitative problems and evaluate alternative investments.
7. Act effectively to contribute to a heterogeneous group project related to alternative investments.

Textbook & Course Materials:

- *Chambers, D. R., Black, K. H., & Lacey, N. J. (2018). Alternative investments: A primer for investment professionals. CFA Institute Research Foundation.*

Course Content:

1. Introduction to Alternative Investing
2. Introduction to Hedge Funds
3. Hedge Funds Strategies
4. Private Equity
5. Introduction to Real Estate
6. Commodities
7. Real Estate
8. Collateralized Debt Obligations
9. Investment Process, Operations
10. The case for investing in alternatives